

2015

Legislative Update

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GROSS RECEIPTS TAX

GRT DEDUCTIONS

2 CHANGES

GRT DEDUCTION: Admin & Accounting Service



Provides a deduction from GRT
for certain administrative and accounting
services.

GRT DEDUCTION: Admin & Accounting Service



The amendment changes language in the definition of the word “control” to remove a previous restriction that required both conditions listed in the definition to be met.

GRT DEDUCTION: Military Acquisition



Set to expire June 30, 2016.

GRT DEDUCTION: Military Acquisition



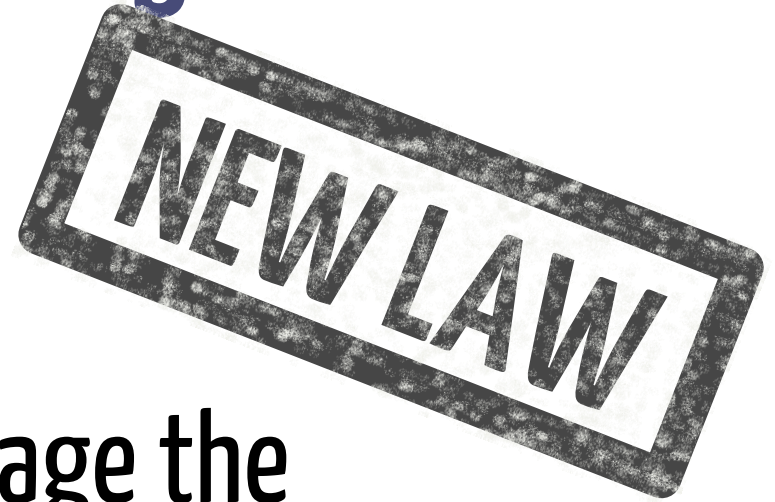
Extends the end date of the deduction to June 30, 2025.

Personal & Corporate INCOME TAX

PIT/CIT CHANGES

6 CHANGES

CIT: NEW Sustainable Building Tax Credits



The purpose is to encourage the construction of sustainable buildings and renovation of existing buildings into sustainable buildings.

CIT: NEW Sustainable Building Tax Credits



The credit is allowed for taxable years ending on or before December 31, 2026. The credit is calculated based on the certification level the building has achieved.

PIT/TAA: National Guard Members & Family Assistance



Changes the distribution language related to eligible National Guard members. Removes the reference to the global war on terrorism.

PIT/TAA: National Guard Members & Family Assistance Optional Tax Refund Contribution

Changes the eligible National Guard members to be for those who are activated for overseas service.

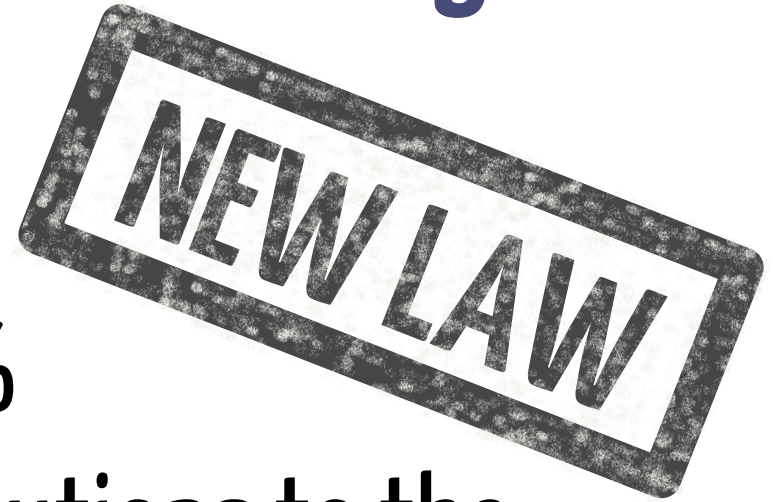


PIT: NEW Tax Refunds to Senior Programs



Allows an optional PIT refund contribution to provide supplemental funding to enhance or expand senior services throughout New Mexico.

PIT: NEW Tax Refunds to Senior Programs



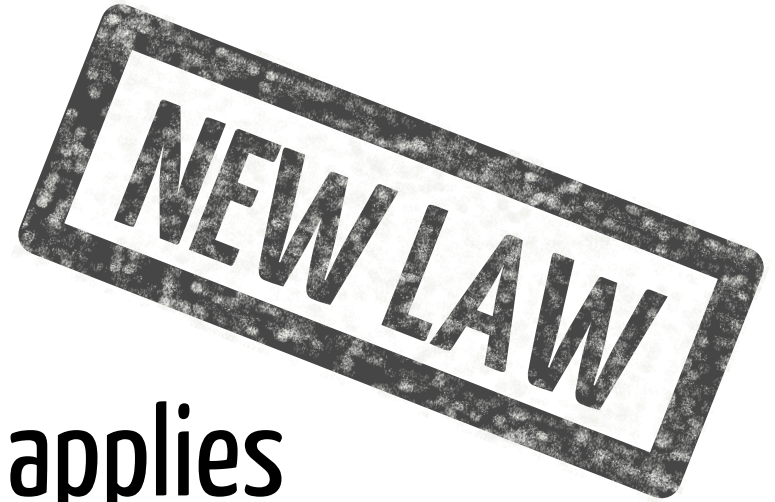
TRD will distribute 100%
of the tax refund contributions to the
Aging and Long-Term Services
Department, for distribution statewide
through the area agencies on aging.

PIT: NEW Statewide Dog & Cat Spay & Neuter Program



Creates the option to designate a portion of a PIT refund to the Animal Care and Facility Fund for the statewide dog & cat spay & neuter program.

PIT/CIT: Limit Film Production Credit



Ensures that the existing film production tax credit applies only to film production companies that commence principal photography prior to January 1, 2016.

PIT/CIT: NEW Film Production Credit



Applies to film production companies on or after January 1, 2016.

PIT/CIT: **NEW** Film Production Credit

The law adds credits for television pilots and series, qualified production facilities, nonresident industry crews, limitation on payments for performing artists and adds requirements to contract with certain vendors.



TAX ADMINISTRATION

TAA CHANGES

6 CHANGES

TAA: Delinquent Tax Electronic Levy Warrants



Adds a new section to the TAA that allows TRD to serve warrants of levy upon financial institutions electronically, if agreed to by the financial institution in electronic format.

TAA: Delinquent Tax Electronic Levy Warrants



...pursuant to the Electronic
Authentication of Documents Act and the
Uniform Electronic Transactions Act.

TAA: Liquor Excise Tax Distributions



This law reconciles two amendments made during the 2014 Legislative Session.

TAA: Liquor Excise Tax Distributions



It results in setting the distribution of receipts from the liquor excise tax to the local DWI Grant Fund.

TAA: Liquor Excise Tax Distributions



- 41.5% prior to July 1, 2015
- 46% from July 1, 2015 - June 30, 2018
- 41.5% on and after July 1, 2018

TAA: TRD Info to NMFA



Allows TRD to provide the New Mexico Finance Authority with certain information.

TAA/GRT: TRD Info to NMFA



This information includes the amount of municipal and county GRT collected by municipalities & counties pursuant to any local option municipal or county GRT imposed...

TAA/GRT: TRD Info to NMFA



and information with respect to the amount of governmental GRT paid by every agency, institution, instrumentality or political subdivision of the state .

TAA/GRT: Local Option GRT Distribution Adjustments (HB581)



To set forth detailed procedures for adjusting certain distributions and transfers to municipalities and counties.

TAA: Local Option GRT Distribution Adjustments (HB581)



To allow TRD to reveal to a municipal or county government a range of GRT paid from business locations in that municipality or county under certain circumstances.

TAA: Tax Administrative Hearings Office Act



This new Act moves the Hearings Bureau from TRD and creates an independent Administrative Hearing Office that is administratively attached to the DFA.

2015

SPECIAL SESSION

TAX PACKAGE

TAX CHANGES

9 CHANGES

TAA: TRD Info to Other States

Amends Section 7-1-8.7 to allow TRD to reveal tax return information with an authorized representative of a local government of another state who is charged with the responsibility for administration of that state's tax laws.

CIT/PIT: Angel Investment Credit

Amends Section 7-2-18.17 NMSA 1978, to extend the sunset date from December 31, 2016, to December 31, 2025, and increase the amount of the credit to twenty-five percent of \$250,000.

CIT/PIT: Angel Investment Credit

The credit is also extended to investment in no more than five qualified businesses per taxable year.

CIT/PIT: Angel Investment Credit

The annual cap on the credit is increased from \$750,000 to \$2,000,000. The period for which the credit may be carried forward is also extended from three to five consecutive years.

PIT: Unreimbursed Medical Expense Tax Ded.

A deduction for a percentage of certain unreimbursed or uncompensated medical care expenses based on the taxpayer's filing status and adjusted gross income, if the expenses are not reimbursed, or compensated for by insurance or otherwise, and have not been included in the taxpayer's itemized deductions.

CIT: Change Certain Tax Filing Due Dates

Amends Sections 7-2A-9 and 7-3A-7 NMSA 1978, to allow taxpayers who file electronically until the 30th of the month to file and pay (as opposed to the 15th of the month under current law).

CIT: Single Sales Factor for Corporate Income

Amends Section 7-4-10 of the Division of Income for Tax Purposes to allow the use of a single sales factor by a headquarters operation in apportioning corporate income to the state tax.

CIT: Single Sales Factor for Corporate Income

It also amends Section 7-4-17 to assure that sales of tangible personal property not taxable in another state are included in the sales factor for calculation of the sales factor under 7-4-10.

GRT: Deduction For Trade Support Companies

Amends Section 7-9-56.3, to extend the deduction to businesses locating in New Mexico from January 1, 2016 through January 1, 2021.

GRT: Deduction For Trade Support Companies

The bill also adds a requirement for separate reporting of the deduction, and an annual report to be completed by the department related to the deductions taken pursuant to the Section.

GRT: U.S. Dept. of Defense Energy Deduction

New section that provides a deduction from the gross receipts derived from the sale of goods and services to the United States Department of Defense related to directed energy or satellites beginning January 1, 2016 through January 1, 2021.

GRT: U.S. Dept. of Defense Energy Deduction

The purpose of the deduction is to promote new and sophisticated technology, enhance the viability of directed energy and satellite projects, attract new projects and employers to New Mexico and increase high-technology employment opportunities.

GRT: U.S. Dept. of Defense Energy Deduction

The bill also adds a requirement for separate reporting of the deduction, and an annual report to be completed by the department to evaluate if the deduction is performing the purpose it was created for.

GRT: Tech Jobs & Research & Development

Several amendments to create the Technology Jobs and *Research and Development* Tax Credit Act. Section 7-9F-9 is amended to set forth the mechanism for claiming the basic credit, and to exclude local option GRT from the taxes that the basic credit may be claimed against.

GRT: Tech Jobs & Research & Development

New Sections are also added to move the method for claiming additional credit to a separate section, to create a taxpayer reporting requirement, so that the Department will have information necessary to enforce the recapture provision, and to subject to the credit to recapture if the taxpayer reporting obligations are not met.

PPL: Refund on Tax Paid on PPL

New material that upon the submission of proof satisfactory to the department, a distributor may claim, and the department may allow, a claim for refund of a New Mexico tax paid on **petroleum products** previously loaded in New Mexico from a source other than a refiner or pipeline terminal in this state and placed in a terminal from which it will be loaded into tank cars, tank trucks, tank wagons or other types of transportation equipment.

**Our Mission is to administer and enforce
New Mexico's tax and revenue laws, vehicle
and driver licensing, and transportation
programs in a manner warranting the
highest degree of public confidence.
Thanks!**

ELISA WALKER MORAN

taxation and revenue

<http://www.tax.newmexico.gov/>